LAW1199.COM NEWSLETTER™

2026 ★ ISSUE #9

safetyofficerattorneys.com ★ www.law1199.com ★SCOTT A. O'MARA, THOMAS I. HAMPTON
BETH A. WILLIAMS, DANIEL J. PALASCIANO & JOSEPH P. HEATHMAN

MEDICAL PROVIDER NETWORKS ARE NOT WHAT THEY SEEM

BY: DANIEL J. PALASCIANO

At a meeting earlier this summer of the Commission on Health and Safety and Workers' Compensation (CHSWC), a California advocacy group, the claim was made that the Medical Provider Network (MPN) system instituted over twenty years ago had proved to be an undeniable success in its operation, despite the fact that there are many, many problems endemic to this system. In fact, from the point of view of the injured worker, the MPN system has been anything but a success.

The MPN system in California was primarily brought about by Senate Bill 899 in April 2004, which was promulgated by former Governor Schwarzenegger. While, at that time, medical costs in workers' compensation were undeniably high, the sledgehammer approach to fixing the medical delivery system, which included not only Medical Provider Networks, but also Utilization Review (UR), and later Independent Medical Review (IMR), were not the silver bullet that defendants and employers envisioned, at least as to the delivery of services and treatment to injured workers.

At the CHSWC meeting noted above, advocates for the MPN system claimed that the main problem with the current system was a lack of doctors to participate in the system, rather than the MPN system itself. Their further claim was that the "doctor shortage" applies across the board in California, not just to the workers' compensation system. However, as Catherine Montgomery, the co-founder and CEO of DaisyBill, a workers' compensation management company, pointed out in a recent article, the fact is that the MPN system is failing.

Ms. Montgomery, who presented her position at the CHSWC meeting, points out that while MPNs are allowable under state law, it is exceedingly difficult to actually verify when an MPN may or may not apply to a certain employer, and more so very difficult to figure out which doctors are actually participating in an MPN. She noted this problem is compounded by the fact that the Division of Workers' Compensation seems uninterested in auditing or doing compliance checks on the MPNs in California. Additionally, she notes that membership in an MPN is also used against medical providers as a way to force them to accept PPO contracts that discount their services.

While it seems clear that all of these are real and current problems with the larger MPN system itself, for the injured workers and medical providers on the ground, the day-to-day provision of treatment to injured

workers within a MPN presents similar if not greater challenges. Defendants are very aggressive in trying to make sure that if there is an MPN, an injured worker accesses treatment only through the MPN. However, many MPNs do not meet the Labor Code's minimum access standards in terms of the amount of doctors an injured worker has to choose from, especially within certain medical specialties. For example, if a neurologist is needed for a safety member with a traumatic brain injury, it does them no good if the MPN does not contain an adequate selection of neurologists, or even any neurologists in some cases.

Additionally, after a MPN list is consulted in an effort to find a doctor for an injured worker, it will appear that there are doctors listed who can address an injured worker's specific concerns. However, when an attempt is made to schedule an appointment with the doctor, the doctor's office says they had no idea they were even on the MPN, and refuses to treat the injured worker. This is a common occurrence, and is in large part a result of larger insurers using HMO and PPO rosters from their non-workers' compensation networks, and simply turning them into a list of workers' compensation providers, often without the doctor's knowledge.

Another example of the daily problems encountered with MPNs is that in wide portions of the State of California, many MPNs lack the necessary specialists needed to adequately treat safety officers, especially for such conditions as traumatic brain injuries, gastrointestinal issues, and other complex and serious injuries. When this situation arises, some employers will try to force an injured worker to go back to an occupational medicine clinic rather than authorize treatment outside of their MPN.

As Ms. Montgomery also points out in her article, at meetings such as the CHSWC meeting earlier this summer, advocacy groups cherry-pick statistics to try to justify their opinion that the MPN system is an unabashed success. However, for many injured workers, MPNs are more often an obstacle in the way of getting the treatment they need in order to get back to work as quickly as possible.

It must also be emphasized that while the failures of the MPN system primarily affect the injured workers that the system is supposed to serve, these same failures also affect medical providers, and the employers of the State of California who are negatively impacted by the inefficient delivery of medical services, longer periods of time off of work, and poorer long-term medical outcomes.

Additionally, when serious injuries occur that need immediate action, the MPN can stand in the way of necessary treatment due to the cumbersome process of finding a qualified doctor within the MPN. As a result, oftentimes injuries that need immediate attention do not always receive the same.

Also, even with a doctor successfully chosen from the MPN, necessary treatment is often delayed by the bureaucratic processes that doctors have to go through to request authorization for treatment. A doctor's request for treatment is usually reviewed by a third-party Utilization Review (UR) organization hired by the defendants, to decide whether the treatment is reasonable and necessary. If treatment is denied by UR, an injured worker has to submit a request for Independent Medical Review (IMR), which bakes more time into

the process. Additionally, appeals filed by injured workers with the IMR board were denied in approximately 90.1% of the cases filed over the last five years.

As most experienced practitioners within the Workers' Compensation System know, over the long term the most valuable benefit in a workers' compensation case is usually medical care. Medical care is often times awarded on an ongoing basis as a part of an injured workers' case, and, especially for chronic conditions, that treatment can literally go on for decades. As such, the workers' compensation medical delivery system must function fairly and efficiently, and at the present time, the MPN system does not seem primarily directed towards that goal.

LAW1199.COM NEWSLETTER™
THE LAW OFFICES OF
SCOTT A. O'MARA

2370 Fifth Ave.
San Diego, CA 92101-1611

4344 Latham St. – Ste. 250
Riverside, CA 92501-1766

1-800-LAW-1199
(1-800-529-1199)
951-276-1199
www.law1199.com